



Public School Retirees HMO Pilot Program Option

Retirees of the Public School Employees Retirement System can choose between the Blue Cross Blue Shield (BCBSM) health plan, and two health maintenance organizations (HMOs) – Health Alliance Plan and Priority Health.

An HMO is a coordinated care plan that provides medical care through a network of physicians, hospitals, pharmacies, and medical equipment suppliers. When you enroll in an HMO, you select a network physician as your primary care physician who works with you to direct your care and refer you to other network providers.

The HMOs selected for this program all provide medical, hospital, prescription drug, and other benefits comparable to or exceeding those in the BCBSM plan, but with no annual deductible and generally lower copays. Moreover, you will find that many provide special health promotions for problems common to our retired population, such as diabetes, degenerative joint diseases, high blood pressure and cholesterol levels, asthma or other respiratory problems, and congestive heart failure or other circulatory problems. Although HMOs have a network of hospitals and physicians, your doctor may already participate.

In addition, HMOs offered by the Retirement System are accredited by the National Committee for Quality Assurance (NCQA), which ensures HMOs provide high-quality, reliable care. Retirees who have selected these plans report high levels of satisfaction.

This HMO option is part of a pilot program and participation is completely voluntary. The list of participating HMOs and coverage offered may change. See pages 3 and 4 for a summary of plan benefits.

The HMO option is available in select counties throughout Michigan. **The following list is current at the date of printing. If you are interested in enrolling, you should contact the HMO directly to receive the most current coverage area listing.**

HMO	COUNTIES
Health Alliance Plan (800) 422-4641	Non-Medicare Participants Only Genesee, Lapeer, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, Wayne
Priority Health (800) 446-5674	Non-Medicare Participants Only Alcona, Allegan, Alpena, Antrim, Barry, Bay, Benzie, Berrien, Calhoun, Charlevoix, Cheboygan, Clinton, Crawford, Eaton, Emmet, Genesee, Grand Traverse, Gratiot, Ionia, Isabella, Kalamazoo, Kalkaska, Kent, Lake, Leelanau, Mackinac, Manistee, Mason, Mecosta, Missaukee, Montcalm, Montmorency, Muskegon, Newaygo, Oceana, Osceola, Oscoda, Otsego, Ottawa, Presque Isle, Roscommon, Saginaw, Tuscola, Van Buren, Wexford
Priority Health – Medicare Advantage (888) 389-6648	Medicare Participants Only Allegan, Antrim, Barry, Benzie, Crawford, Grand Traverse, Kalkaska, Kent, Leelanau, Manistee, Missaukee, Montcalm, Muskegon, Newaygo, Oceana, Osceola, Ottawa, Roscommon, Wexford

If you and/or a family member are covered by Medicare, the only HMO available to you is Priority Health, and is only available in select counties. This plan is a Medicare Advantage plus Prescription Drug (MAPD) plan which combines traditional Medicare and the Priority Health secondary coverage, into one plan. If you enroll in Health Alliance Plan (HAP), when you or a covered dependent become eligible for Medicare, your plan will automatically be switched to BCBSM.

If you enroll in an HMO, you must remain in the HMO for at least six months unless the coverage is no longer available because of a move.

ADDITIONAL INFORMATION

Use the HMO toll-free numbers to obtain detailed plan information, answers to benefit questions, and for an enrollment form.

Refer to the *Public School Retirees Monthly Insurance Rates (R72C)* for rate information. And be sure to review the *Public School Retirees Insurance Information (R58C)* sheet for details about who can be enrolled, insurance cards, effective dates of coverage, required proofs, the effects of Medicare and other group insurance coverage. These forms can be found on the ORS website, in retirement application packets, or by contacting ORS.

ENROLLING WHEN YOU APPLY FOR RETIREMENT

To enroll, request an HMO application from the HMO. You will need to complete and return the *Public School Employees Group Insurance Application (R365C)*, found in your retirement application packet, along with the HMO application. At the top of the *Group Insurance Application* print the letters "HMO" to indicate you have enclosed an HMO application or that one will be forthcoming. Return both forms to ORS with your pension application forms, if possible. DO NOT return your application to the HMO.

CHANGING YOUR ENROLLMENT AFTER RETIREMENT

To enroll in an HMO after your pension has begun, request an HMO application from the HMO. Return the completed form to ORS with all necessary proofs. DO NOT return your application to the HMO. If you are changing from one retirement system health plan to another, your coverage in the new plan will begin the first day of the second month after ORS receives your materials. For example, if we receive your application and proofs on February 10, your coverage will begin on April 1.

BCBSM – HMO COMPARISON CHART	
BCBSM	HMO
National access to all plan benefits	Full access to all plan benefits available in HMO network* (National Access with Priority Health Travel Benefit)
You choose any doctor or hospital	You choose your primary care doctor from the network who then works with you to coordinate specialist and hospital services.
Covers emergencies world wide	Covers emergencies worldwide
Some preventative services covered under the plan. When sick or hurt, allows you to seek medical attention at any time	Preventive healthcare encouraged before you become sick. When sick or hurt, allows you to seek medical attention at any time
Same premium withheld from pension	Same premium withheld from pension
Moderate out-of-pocket costs	Lower out-of-pocket costs
Annual deductible before coverage begins	No annual deductible (Priority Health <i>Travel Benefit</i> requires a deductible before coverage begins)
Copays for many services	Copays for many services, but generally lower copays
No mandatory coordination of medical care. Care management programs available on a voluntary basis.	Enhanced coordination of medical care
Limited coverage of preventive medicine (some screenings)	Broader coverage of preventive medicine (more screenings, annual physicals, etc.)
Limited patient education	Broader patient education
Limited lifestyle coaching (weight management, smoking cessation, etc.)	Broader lifestyle coaching (weight management, smoking cessation, nutrition, fitness, etc.)
Significant drug coverage with copay	Significant drug coverage with copay

*National access with Health Plan approval.

NON-Medicare Summary Comparison Sheet*

Effective January 1, 2007

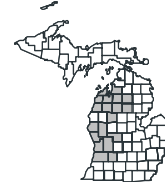


HEALTH CARE BENEFIT	BCBSM PPO (800) 422-9146	HEALTH ALLIANCE PLAN (800) 422-4641	PRIORITY HEALTH (800) 446-5674
Office Calls	10% copay in network/ 30% out of network	\$10 copay	\$10 copay for Primary Care \$25 copay for specialist
Routine Physical Exams	Not covered	Included in office visit	Included in office visit
Routine Pap Smears	Covered 1/year	Included in office visit	Included in office visit
Routine Mammograms	10% copay in network/30% out of network. 1 per year	\$10 copay	Included in office visit
Allergy testing and treatment	10% copay in network/30% out of network	Included in office visit	Included in office visit
Chiropractic Visits	10% copay in network/30% out of network — 26 visits/year	Not Covered	Spinal manipulations for injury or illness covered up to 4 visits/year with appropriate office visit copay.
Hospital - Inpatient Care	No copay in network/20% out of network 365 days (can be renewed)	Covered in full	Covered in full
Hospital - Outpatient Care (Including diagnostic services)	10% copay in network/30% out of network	\$10 copay	Covered in full
Medical/Surgical Care (Including surgery, anesthesia, technical surgical assistance)	No copay in network/20% out of network	\$10 copay	Covered in full
Emergency Medical Care	10% copay	\$50 copay	\$100 copay (waived if admitted)
Urgent Medical Care	10% copay in network/30% out of network	\$10 copay	\$40 copay
Care Outside Michigan	Same as in network in Michigan	Emergency or urgent care per HAP guidelines	Covered for Urgent Care and Emergencies same as in Michigan. Most other services covered at 80% after \$250 deductible.
Care Outside the Network In Michigan	See specific services for details	Emergency or urgent care per HAP guidelines	Covered for Urgent Care and Emergencies. Most other services covered at 80% after \$250 deductible.
Home Health Care	No copay. 3 visits/year for each unused inpatient hospital day or skilled nursing facility day	Covered (RN or LPN) with authorization	Covered in full.
Skilled Nursing Facility	No copay. 100 days (can be renewed)	Covered up to 730 days. Renewable after 60 days.	No copay. 100 days (can be renewed)
Hospice	No copay. 210 days.	Covered - 210 days per lifetime.	Covered in full
Outpatient Mental Health Services	50% copay	Up to 20 visits per year covered with \$10 copay per visit	Up to 20 visits per year covered with \$20 copay per visit
Prescription Drugs	20% copay. \$7 min/\$32 max retail pharmacy (1 mo. supply); \$17.50 min/\$80 max mail pharmacy (3 mo. supply); plus cost difference on maintenance drug on and after 4 th refill if not purchased at most cost effective venue. \$800 individual drug copay max for prescriptions on the formulary. 40% out-of-pocket for non-formulary drugs.	Copay per prescription is \$7 for 1st tier, \$15 for 2nd tier, and \$30 for 3rd tier. Contact HAP for information on each tier.	\$10 copay per generic prescription, or \$30 copay per brand name prescription, retail pharmacy (up to a 1 month supply). Up to 3-month supply available for two copays through mail pharmacy service.
Durable Med. Equip. – Supplier	Covered in full in network	Covered in full	20% copay
Hearing Benefits	Covered every 36 months - 10% copay	Covered in full every 36 months	Covered in full every 36 months
Deductible	\$250 individual/\$500 family	None	None
Maximums	\$500 individual/\$750 family copay	None	None

* This document is only a summary. For a complete listing of plan details contact the individual providers. Benefit levels are subject to change.

Medicare Summary Comparison Sheet*

Effective January 1, 2007



HEALTH CARE BENEFIT	BCBSM MAPD (800) 422-9146	PRIORITY HEALTH (888) 389-6648
Office Calls	10% copay at providers who deem with Medicare Advantage	\$10 copay for Primary Care \$25 copay for Specialists
Routine Physical Exams	Medicare Welcome Physical Exam covered once within first 6 months member enrolls in Part B.	Included in office visit
Routine Pap Smears	Covered 1/year	Covered in Full
Routine Mammograms	10% copay/1 per year	Covered in Full
Allergy testing and treatment	10% copay	Covered in Full
Chiropractic Visits	10% copay/covered up to 26 visits/year	100% for manual manipulations of the spine only to correct subluxation
Hospital - Inpatient Care	Covered up to 365 days (can be renewed)	Covered in full
Hospital - Outpatient Care (Including diagnostic services)	10% copay	Covered in full
Medical/Surgical Care (Including surgery, anesthesia, technical surgical assistance)	No copay	Covered in full
Emergency Medical Care	10% copay	\$100 copay (waived if admitted)
Urgent Medical Care	10% copay	\$40 copay
Care Outside Michigan	Same as in Michigan	Covered for Urgent Care and Emergencies same as in Michigan. Most other services covered at 80% after \$250 deductible.
Care Outside the Network In Michigan	Not applicable/no provider network applies	Covered for Urgent Care and Emergencies. Most other services covered at 80% after \$250 deductible.
Home Health Care	No copay. 3 visits/year for each unused inpatient hospital day or skilled nursing facility day	Covered in full.
Skilled Nursing Facility	No copay. 100 days (can be renewed)	No copay. 100 days (can be renewed)
Hospice	No copay. 210 days.	Covered by original Medicare when care obtained in Medicare-certified hospice.
Outpatient Mental Health Services	50% copay	\$20 copay per individual session, \$10 copay for group therapy session
Prescription Drugs	20% copay. \$7 min/\$32 max retail pharmacy (1 mo. supply); \$17.50 min/\$80 max (3 mo. supply); plus cost difference on maintenance drug on and after 4 th refill if not purchased at most cost effective venue. \$800 individual drug copay max for prescriptions on the formulary. 40% out-of-pocket for non-formulary drugs.	\$10 copay per generic prescription, or \$30 copay per brand name prescription, retail pharmacy (up to a 1 month supply). Up to 3-month supply available for two copays through mail pharmacy service.
Durable Med. Equip. – Supplier	Covered in full	20% copay
Hearing Benefits	Covered every 36 months - 10% copay	Covered in full every 36 months
Deductible	\$250 individual/\$500 family	None
Maximums	\$500 individual/\$750 family	None

* This document is only a summary. For a complete listing of plan details contact the individual providers. Benefit levels are subject to change.